

GRANT OF TRADEMARK SECURITY INTEREST

WHEREAS, Coventa Energy Corporation, a Delaware corporation ("**Grantor**"), owns and uses in its business, and will in the future adopt and so use, various intangible assets, including the Trademark Collateral (as defined below);

WHEREAS, Covanta Energy Corporation, a Delaware corporation ("**Company**") and the Subsidiaries of Company listed on the signature pages thereof (collectively, Company and such Subsidiaries of Company are "**Borrowers**" and each a "**Borrower**") have entered into certain Credit Agreement dated as of March 10, 2004 (said Credit Agreement or any credit agreement entered into by Detroit L/C Borrowers to refinance, replace, renew or extend, in whole or in part, said Credit Agreement and the indebtedness and letters of credit issued thereunder, as said Credit Agreement or any replacement to said Credit Agreement may be amended, restated, supplemented or otherwise modified from time to time, being the "**Detroit L/C Facility Agreement**") with the financial institutions listed on the signature pages thereof as Lenders (collectively, together with their respective successors and assigns party to the Detroit L/C Facility Agreement from time to time, the "**Detroit L/C Lenders**"), **Deutsche Bank Securities, Inc.**, as Documentation Agent for the Detroit L/C Lenders (in such capacity, the "**Detroit L/C Documentation Agent**"), and **Bank of America, N.A.**, as Administrative Agent for the Detroit L/C Lenders (in such capacity, the "**Detroit L/C Facility Agent**," and together with the Detroit L/C Documentation Agent, the "**Detroit L/C Agents**"), pursuant to which the Detroit L/C Lenders have made certain commitments, subject to the terms and conditions set forth in the Detroit L/C Facility Agreement, to extend certain letter of credit facilities to Borrowers;

WHEREAS, Borrowers have entered into certain Credit Agreement dated as of March 10, 2004 (said Credit Agreement or any credit agreement entered into by New L/C Borrowers to refinance, replace, renew or extend, in whole or in part, said Credit Agreement and the indebtedness and letters of credit issued thereunder, as said Credit Agreement or any replacement to said Credit Agreement may be amended, restated, supplemented or otherwise modified from time to time, being the "**New L/C Facility Agreement**") with the financial institutions listed on the signature pages thereof as Lenders (collectively, together with their respective successors and assigns party to the Detroit L/C Facility Agreement from time to time, the "**New L/C Lenders**"), and Bank One, NA, as Administrative Agent for the New L/C Lenders (in such capacity, the "**New L/C Facility Agent**"), pursuant to which the New L/C Lenders have made certain commitments, subject to the terms and conditions set forth in the New L/C Facility Agreement, to extend certain letter of credit facilities to Borrowers;

WHEREAS, Company has issued \$205,000,000 in aggregate face principal amount accruing to \$230,000,000 at stated maturity of its 8.25% Senior Notes due 2011 (said notes or any replacement to said notes pursuant to a refinancing, defeasance, renewal, replacement or extension of such notes, being the "**High Yield Notes**");

WHEREAS, Borrowers other than the Company have agreed, in favor of the holders of the High Yield Notes, to guarantee the prompt payment and performance when due of all obligations of Company under the High Yield Notes;

WHEREAS, Borrowers are required to maintain the Cash Management System (as defined in the New L/C Facility Agreement and the Detroit L/C Facility Agreement) with Secured Party (in such capacity, the "**Cash Management Bank**") and the obligations of Borrowers to the Cash Management Bank arising from or relating to the Cash Management System are secured under the Security Agreement (as defined below); and

WHEREAS, pursuant to the terms of a Security Agreement dated as of March 10, 2004 (as it may heretofore have been and as it may from time to time hereafter be amended, restated, supplemented or otherwise modified, the "**Security Agreement**"), among Grantor, the other grantors named therein and Bank of America, N.A., in its capacity as (i) collateral agent for and representative of the Detroit L/C Agents and the Detroit L/C Lenders from time to time party to the Detroit L/C Facility Agreement, (ii) collateral agent for and representative of the New L/C Agent and the New L/C Lenders from time to time party to the New L/C Facility Agreement, (iii) collateral agent for and representative of the holders of the High Yield Notes and (iv) collateral agent for and representative of the Cash Management Bank (in such capacity, the "**Secured Party**"), Grantor has granted in favor

of Secured Party secured and protected interests in, and Secured Party has agreed to become a secured creditor with respect to, the Trademark Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, subject to the terms and conditions of the Security Agreement, Grantor hereby grants to Secured Party four separate security interests, (subject to the terms of the Intercreditor Agreement (as defined in the Security Agreement) (including, without limitation, the provisions regarding lien priority)), in all of Grantor's right, title and interest in and to the following, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located (the **"Trademark Collateral"**):

(i) all rights, title and interest (including rights acquired pursuant to a license or otherwise but only to the extent permitted by agreements governing such license or other use) in and to all trademarks, service marks, designs, logos, indicia, tradenames, trade dress, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers and applications pertaining thereto, owned by such Grantor, or hereafter adopted and used, in its business (including, without limitation, the trademarks specifically identified in Schedule A) (collectively, the **"Trademarks"**), all registrations that have been or may hereafter be issued or applied for thereon in the United States and any state thereof and in foreign countries (including, without limitation, the registrations and applications specifically identified in Schedule A) (the **"Trademark Registrations"**), all common law and other rights (but in no event any of the obligations) in and to the Trademarks in the United States and any state thereof and in foreign countries (the **"Trademark Rights"**), and all goodwill of such Grantor's business symbolized by the Trademarks and associated therewith (the **"Associated Goodwill"**); and


(ii) all proceeds, products, rents and profits of or from any and all of the foregoing Trademark Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Trademark Collateral. For purposes of this Grant of Trademark Security Interest, the term **"proceeds"** includes whatever is receivable or received when Trademark Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

Notwithstanding anything herein to the contrary, in no event shall the Trademark Collateral include, and Grantor shall be not deemed to have granted a security interest in, any of Grantor's rights or interests in any license, contract or agreement to which Grantor is a party or any of its rights or interests thereunder, to the extent, but only to the extent, that such a grant would, under the terms of such license, contract or agreement or otherwise, result in a breach of the terms of, or constitute a default under any license, contract or agreement to which Grantor is a party on the date hereof (other than to the extent that any such provision would be rendered ineffective pursuant to the UCC or any other applicable law (including the Bankruptcy Code (as defined in the Intercreditor Agreement) or principles of equity); provided, that immediately upon the ineffectiveness, lapse or termination of any such provision, the Trademark Collateral shall include, and Grantor shall be deemed to have granted security interests to Secured Party in, all such rights and interests as if such provision had never been in effect; provided, further that if the assignment of proceeds of such license, contract or agreement would not result in a breach of the terms of, or constitute a default under the provisions of such license, contract or agreement, such proceeds shall be included in the Trademark Collateral.

Grantor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interests in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Grant of Trademark Security Interest to be duly executed and delivered by its officer thereunto duly authorized as of the 10th day of March 2004.

COVANTA ENERGY CORPORATION

By: 
Name: Timothy J. Simpson
Title: Authorized Officer

**SCHEDULE A
TO
GRANT OF TRADEMARK SECURITY INTEREST**

<u>Registered Owner</u>	<u>United States Trademark Description</u>	<u>Registration Number</u>	<u>Country</u>
Covanta Energy Corporation (f/k/a Ogden Corporation)	COVANTA ENERGY	76/133,621	United States